

Have a say in how your CDBG Economic Development dollars are spent

The Montana Consolidated Plan will be available for review November 20, 2013. The Plan is designed to help states and local jurisdictions assess their affordable housing, community development, and economic development needs. The consolidated planning process serves as the framework for a community-wide dialogue to identify local development priorities.

The Consolidated Plan process involves public input regarding how US Housing and Urban Development (HUD) funds are spent in their states. The Community Development Block Grant - Economic Development (CDBG-ED) Program which receives a portion of the State's CDBG allocation is addressed in the Consolidated Plan document. The Montana Department of Commerce encourages comments from the public regarding use of CDBG-ED funding.

Eligible activities under the Montana CDBG-ED program includes grants and loans for planning activities leading to an economic development project, loans for working capital and equipment purchases, and grants to local governments for infrastructure improvements. Local governments are required to identify the sources and uses of project funds, and assure the participation of at least one non-CDBG-ED dollar for each dollar of non-administrative CDBG-ED funds requested (a 1:1 leverage ratio). The non-CDBG-ED funds may come from a variety of sources. CDBG-ED no longer requires match in the form of new money, grants, investments, or loans, and will consider other forms of match for documented expenses incurred no more than 18 months prior to the date of the application. The Montana Department of Commerce reserves the right to reduce the match requirement in exceptional circumstances, such as high impact projects in areas demonstrating significant levels of need. Also, the CDBG-ED program has dropped the current interest rate for business loans from 5% to 2%. Funds are awarded on a first-come, first-serve basis, if the thresholds and underwriting criteria are met, until all funds are committed. CDBG-ED also sets aside approximately \$180,000 in CDBG-ED funds for economic development planning, capacity building, and technical assistance grants.

A final public hearing will occur December 4, 2013 at the Montana Department of Commerce in Helena. You may submit comments by email, US postal service, or in person at the final public hearing.